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OFFICE OF THE SECRETARIAT

June 20, 2000

COMMENT

Jean A. Webb
Secretary, Commodity Futures Trading Commission
Three Lafayette Center
21st Street, NW
Washington, DC 20581
Fax: 202/418-5521

Dear Madam Secretary,

As a farmer, I am very concerned about the way the CBOT is attempting to correct the problems with the Eurex. If adopted, this can only be a detriment to the individual farmer. Understandably, the CBOT wants to be able to compete on a global scale, as do we all. However, I think the increased substantial risk to local farmers and elevators has the potential of destroying or at the very least hindering what is left of our already faltering Agri-community.

Some of the major problems associated with increased daily price limits that should be considered are:

- (1) With increased daily limits will come increased margin requirements. This could eliminate, or significantly limit the extent to which producers and other market participants could use futures and options. In addition, limiting the number of market participants hurts liquidity and hinders price discovery.
- (2) Greater daily limits increase the risk that producers and other participants face. This increases their likelihood of being forced out of a hedge position at a loss during volatile and emotional, markets.
- (3) Greater margin risk could force smaller, under-capitalized elevators into financial difficulty.

I don't believe that it is right for the CBOT to solve it's problems with the Eurex at the expense of our already stressed farming community. I think that it would be much better for our community and nation as a whole if this problem were fixed with the use of computer programs.

Sincerely,

Bradley Faulkner
Bradley Faulkner
12570 N Davis Road
Davis, IL 61019

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